

Congress of the United States
Washington, DC 20515

July 12, 2017

The Honorable Robert Aderholt
Chairman, Agriculture Subcommittee
House Committee on Appropriations
Washington, D.C. 20515

The Honorable Sanford Bishop
Ranking Member, Agriculture Subcommittee
House Committee on Appropriations
Washington, D.C. 20515

The Honorable Rodney Frelinghuysen
Chairman
House Committee on Appropriations
Washington, D.C. 20515

The Honorable Nita Lowey
Ranking Member
House Committee on Appropriations
Washington, D.C. 20515

Dear Chairmen and Ranking Members:

We are writing you today in support of full funding in Fiscal Year 2018 for the Farm Service Agency's loan programs, including direct and guaranteed farm operating and ownership loans. FSA's guaranteed and direct farm loan programs have come under greater stress in recent years, as private agricultural lenders have tightened up lending and relied more heavily on FSA guarantees due to low commodity prices. In fact, in June 2016 FSA ran out of operating and guaranteed ownership funds completely due to higher than anticipated demand, which created a significant backlog of unfunded loan applications. Most of these farmers seeking FSA credit had no other options to cover their annual operating expenses, which compounds the difficulties when faced together with lower commodity prices.


We appreciate your efforts to address those backlogs and applaud the increases provided for FSA farm loan programs in FY 2017, and we urge you to remain committed to fulfilling the need for adequate FSA loan funding in FY 2018.


The House Agriculture Appropriations Subcommittee's draft bill for FY 2018 proposes to drastically cut several of FSA's farm loan programs and send a devastating ripple effect across our country's food and agricultural sector. The Subcommittee's bill would cut Direct Operating Loans by \$225 million from their current funding level. This cut, combined with a proposed cut of \$566 million to Guaranteed Operating Loans, amounts to a one-two-punch to farmers in need of credit that is vital to financing their annual operating expenses (such as seed, feed, and fertilizer) that are necessary to keep their farms in business. The Subcommittee's bill would also cut Guaranteed Farm Ownership Loan funding by \$250 million below the FY 2017 levels. Under the Guaranteed Farm Ownership Loan program, FSA works closely with the private-sector agriculture lending community. A reduction in funding for this program will negatively impact lending provided by our nation's agriculture lenders thereby ensuring fewer loans are made to assist beginning farmers in purchasing farmland.

FSA farm loans are a fundamental part of the farm safety net, in both good times and bad. Due to the economic downturn, demand for loans has increased substantially; and agricultural economists are in agreement that we are likely to continue to see sustained low commodity prices, at least into the near future.

As you work with your colleagues to finalize an agricultural appropriations bill for the next fiscal year, **we urge you to renew FY 2017 funding levels for FSA loan programs and work with FSA to ensure adequate and timely funding is available to fulfill the demand for FSA loans into the future.**

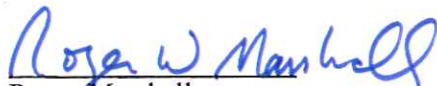
Sincerely,


John J. Faso
Member of Congress



Ron Kind
Member of Congress

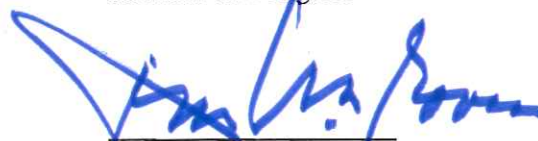

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Member of Congress


Glenn 'GT' Thompson
Member of Congress



Roger Marshall
Member of Congress

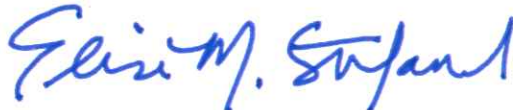

David Loebsack
Member of Congress



Tim Walz
Member of Congress



James P. McGovern
Member of Congress



Ann McLane Kuster
Member of Congress

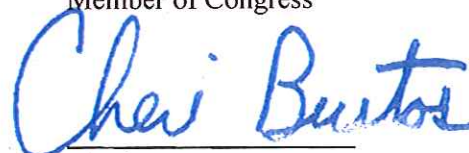

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